

Washington Horse Racing Commission  
Meeting Minutes  
April 25, 2014

The meeting convened at 9:30 A.M. at the City Council Chambers, Auburn, Washington. Present were: Jeff Colliton, Chairman; Paul George, Commissioner; Dr. Everett Macomber, DVM, Commissioner; Representative Eileen Cody, Legislative Ex-officio Member; Doug Moore, Executive Secretary; Patty Brown, Confidential Secretary.

Item #1. Approval of the meeting minutes of March 14, 2014.

Commissioner Macomber moved to approve the minutes with one correction on page 2. Commissioner George seconded the motion. Unanimously approved.

Chairman Colliton introduced Ms. Jessica Stevenson, legislative counsel for the Senate Commerce and Labor Committee.

Item #2. Commissioner's reports.

Commissioner George reported on the opening of Sun Downs on April 19 in Kennewick, Washington. He stated that Tri City Horse Racing Association and the Fair Board were able to work out an agreement that was satisfactory to both parties. He had talked with retired Senator Jerome Delvin who is the chair of the County Commission but he stated they had leased the fairgrounds to the Fair Board and were not able to assist with the problems the two entities were experiencing. Commissioner George explained that the WHRC had wanted Tri City to be able to run due to the fact that the WHRC had supported them with hundreds of thousands of dollars into the facility and found it unbelievable they couldn't work out an agreement between the two of them. He said there was a very good crowd and there were a lot of horse players from Yakima. He said people love live horse racing and the WHRC is committed to maintaining live racing in Eastern Washington. He said the weather was good; good opening weekend. Commissioner George said he'd talked with Tri City Horse Racing Association and they would like to get a lease from the county beginning the first of year until the middle of May so dates can be set and horsemen would know definitely what those dates are and can schedule to participate.

Commissioner Macomber was happy that Commissioner George was working on maintaining racing at Sun Downs. He said he had attended the opening day at Emerald Downs and it was fantastic, he congratulated Emerald Downs on a great job. He said he had devoted much of his time on medication issues and reviewing the literature and emails. They are interesting to say the least, the ongoing process. It is an ongoing process and that's good.

Chairman Colliton said he'd attended the ARCI meeting with Doug Moore. Chairman Colliton said he wished to show a nine minute video that had been the subject of every committee meeting that was held in Lexington, he said it was very negative towards the industry. Mr. Moore set up and played the video. He said this sends a very bad message; damaging to the industry. He said it's very difficult to combat something like this. Also at the RCI meeting, they had elected new officers; John Ward new chair, Mark Lamberth, chair-elect, Jennifer Duremburger, DVM, secretary. Mr. Moore elected again to the model rules committee. Chairman Colliton said Mr. Moore is looked to for his input. The state of Washington is going to become very forefront on a national level. Dr. Mick Peterson gave an hour and half briefing on racing surfaces and half way through the briefing, he said if you want to see how things

should be done, go to Emerald Downs and talk to Wayne Damron. Chairman Colliton said he participated in an April 15 teleconference with the racing compact, he's not sure where it's heading and do we want to continue to be a member. Mr. Moore said yes, regarding the rules compact, he's not sure how to approach it, whether to opt in or out with the rules because we differ on some things. Regarding the Licensing compact whether WHRC wants to stay involved, they've got 16 members in the licensing compact. Chairman Colliton and Mr. Moore met with a company that deals with leasing of portable security camera equipment. Mr. Moore said they lease to private stables providing 24 hour surveillance. Chairman Colliton had an article from the Spokesman Review regarding instant racing coming to the greyhound park. He said it's pretty much just a slot machine. They're installing 20 on May 1. It's supposed to help out Idaho with the industry. Mr. Fraser of Emerald Downs said Portland Meadows is getting them in January. Chairman Colliton discussed the marketing of the multiple horse owners that Emerald Downs has going called the Emerald Racing Club.

Mr. Moore discussed the model rules meeting he attended in Lexington. The main discussion was environmental contaminants. He said if other jurisdictions already have language regarding environmental contaminants, they could utilize their language and not have to adopt the model rules language. Harness rules were discussed. Rules regarding out of competition testing. WHRC has one, and that is there is no authority off the grounds. We do have a rule but if it was used it would only be for the Mile horses and only for trainers on the grounds. WHRC can't test them all; not moving forward with that. The biggest discussion was medication, whether to leave in place administration times, whether substances were administered within that time. Mr. Moore said this is a rule you can't enforce, can't guarantee accuracy. Investigators can't tell if the horse is in or out. This has been removed for now; just informational, not a violation. Mr. Moore said more will come up again in August at Delmar. Constantly moving target the list of 24 medications are now 26 and maybe 30 within the next year or two.

### Item #3. Industry reports.

#### a. Emerald Downs.

Mr. Bob Fraser, VP, Operations reported for Emerald Downs. He reported opening was good with 21 races that weekend. The following weekend was different; short fields on Saturday and Sunday and only 6.2 starters per race. The feature race was really strong. Selling went quite well on that day. Overall up 22.8 percent. On track 13.9%. The races filled pretty good fields for this weekend. Nine on Saturday and ten on Sunday. Overall horse population is 775 horses in stalls right now compared to last year with 894. Trainer Joe Toy is bringing some horses up from Arizona and some others. Mr. Fraser said it's down but comparable to two years ago. Starting three days per week on May 2<sup>nd</sup>. He was very optimistic. He said the satellites are some good news, Kirkland's site is really strong on weekends, averaging \$15,000; starting to take off. Spokane had some added signals. Mr. Fraser said it's kind of a mixed bag, averaging 225 on Turf handle. Charleston, Lone Star, Mountaineer are averaging \$200. Mr. Fraser said they are continuing to go with it for now. Events upcoming are Mother's Day that's a big event. Good job merchandizing, selling; catering is up 20 percent over last year. Sophia McKee, Director of Marketing, talked about the Emerald Racing Club, the introductory ownership program, for a low cost and a low risk opportunity to be an owner. She said there are 128 owners signed up at \$500 each, they've claimed a horse from Golden Gate, but it can't race till May 19<sup>th</sup>. She said that over two hundred people came to morning training and Emerald Downs threw a big party in the suites for them. She said five of them are seriously interested in an

ownership after the program has ended. She said there were breeding farm tours, sales preparation, yearling sale as well to add value to them for a well rounded education on ownership. Ms. McKee said Bet Emerald mobile wagering is seeing strong numbers, \$2000 handled through the mobile network. The Emerald Downs WiFi is working fabulously. The first Fab Fridays tee shirts are available. WTBOA extremely helpful with the program. Couldn't do it without them. Rep Schmick's wife Kim is one of the owners.

Commissioner Macomber asked about "BetEmerald", if there were kiosks to get you started. Ms. McKee said yes, sign up is easy as 1,2,3. It's pretty basic. They've gotten a positive response with that so far. The ushers help with fan education when seating folks. Make suggestions on the program to them. Mr. Fraser said on Kentucky Derby day tables will be available to assist people to get started with the mobile network. Mr. Moore asked if they could tell if the prominent owners were going through ADWs from their box or using the mobile site. Ms. McKee said she really didn't know, but are educating them urging them to use the mobile site and how it benefits Emerald Downs to use the mobile site rather than the ADWs. Commissioner Macomber suggested a that possibly a person with a tee shirt that says BetEmerald ask me how to sign up walking through the crowd might help.

b. WA HBPA.

Ms. MaryAnn O'Connell, Executive Director, talked about their Easter egg hunt, and Cinco de Mayo celebration that is coming up. These events benefit the Chaplaincy and backstretch clubhouse. Ms. O'Connell commented on the video, that it was a topic of their National board meeting as well. She talked of how unfactual, twisted that video was. She discussed how to handle that video was to not discuss it really. Anytime a video is shown pushing the PETA agenda. She was most bothered by the fact that the following day the Jockey Club sent a memo that said if you adopt model rules on medication, that type of video would go away. What is more disconcerting was the trainer Steve Assmussen was painted as being satanic, which is not the case and not how he operates his barn. That the industry pulled his nomination for the Hall of Fame, when they should have been supported him by the facts from being the industry for so long. The need is to show what our industry is really like, as in the Emerald Downs ownership player club, that's the best thing we can do for racing.

Chairman Colliton said he was fortunate to be able to see Chris McCarron's jockey/groom school. It's a two year program, and a good way of beating this negativity. Gradually start to bring industry up on a positive note. PETA is definitely on the move for the greyhound parks and the standardbred parks. Ms. McKee said another article is due to come out soon. Emerald Downs does have good safeguards in place to protect the horses. The Vets do a prerace morning inspection and horses are examined and scratched if not race ready. Every horse every day is inspected. If anyone would like to speak to the group or do a guest blog, they would love to have them. Commissioner Macomber would be a good one to talk to them.

c. WTBOA.

Dana Halvorson, President, he reported that the entries for yearling sale close soon May 16th. They have approximately one hundred so far. August 26 day after the Longacres Mile is the sale.

Item #4. Executive Secretary's report.

- a. Wagering recap (March 2014).

Mr. Moore reported wagering to be down 5.7% for March 2014; Down 4.1% for the quarter; and down 7.0% for the race year. ADWs are up 14.7%

- b. Monthly Financial Statement (February and March 2014).

Mr. Moore reported the revenue to charges, gained almost \$40,000 in March. The fund balance is \$804,180. In 2013 the fund balance was \$616,000 in comparison. Mr. Moore said he expects April will be smaller, with the majority of the employees returned; with Ms. Lynn's retirement and her annual leave cashout; with travel expenses and Sun Downs being the reason. At this time, WHRC is in better shape than 2013.

Item #5. Any other business that may be properly brought before the Commission.

Mr. Moore said for the Commissioners information, that he would like to go back to testing every sample, with the current fund balance, he felt comfortable this was, with the current climate regarding medication, would be a good time to start testing all samples again. He recommended to our state vets to send, for the time being, all samples collected as long as fund balance is maintained.

Ms. O'Connell said her recollection was the WHRC did not send all samples was not only for cost savings, but spending so much money on only finding therapeutics; to spend more money on the tests that were sent for other medications, not just therapeutics. Mr. Moore said currently Washington was the only jurisdiction that was not sending all samples that he was aware of. Ms. O'Connell supports this 100 percent and feels this is a good thing.

Commissioner Macomber said he also supports that change.

Chairman Colliton wanted to introduce Gary Baze, as the new steward, but he had already gone.

Chairman Colliton requested a motion to approve travel to and attendance at the ARCI Summer meeting at Del Mar in California for himself and Executive Secretary Doug Moore.

Commissioner Macomber so moved. Commissioner George seconded the motion. Unanimously approved.

Chairman Colliton also said he's been vocal about not being able to wager and this was not all in jest, he said he felt the commissioners should be allowed to wager in some parts of the industry. He was asking Mr. Moore to research the rules regarding this; and begin inquiries to the Ethics Board that may allow the Commissioners to wager on simulcast races only. Mr. Moore said there were about four WACs that would be affected. A key point will be the opinion that prohibits commissioners from wagering on the outcome of any race under the jurisdiction of the commission; whether this means the facility where the wager is made. Mr. Moore said he would work with Sharon James AAG and Melanie deLeon, Ethics Board on whether it would be possible to change this situation. Very few jurisdictions have a prohibition on their commissioners wagering.

Chairman Colliton thanked Representative Cody and Jessica Stevenson for attending meeting.

Meeting adjourned. 11:05 A. M.

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Doug Moore, Executive Secretary

Special Meeting  
May 5, 2014  
Telephone Conference Call

The special telephone conference call meeting of the Washington Horse Racing Commission was called to order at 11:10 A.M. Present were Jeff Colliton, Chairman; Paul George, Commissioner; Dr. Everett Macomber, Commissioner; Sharon James, Assistant Attorney General; Doug Moore, Executive Secretary; and Patty Brown, Confidential Secretary.

Item #1. Request from Emerald Downs to cancel live racing on one approved race day, Friday, May 23, 2014.

Doug Moore read the letter received from Jack Hodge, Vice President, Emerald Downs dated May 1, 2014 requesting to cancel one day of approved racing, Friday, May 23, 2014, Mr. Hodge stated that due to the inability to fill the races card with a decent field size, Emerald Downs was requesting to cancel the first of the four-day holiday weekends in their original request for race days.

Commissioner Macomber expressed his concerns over cancelling days and hoped that this would not become a precedent. Mr. Moore said that it was hoped that with the closing of the Phoenix race track that more horses would be moving into Emerald Downs and this would improve the situation at Emerald Downs.

Commissioner Macomber moved to approve the request to cancel Friday, May 23, 2014. Commissioner George seconded the motion. Unanimously approved.

Meeting adjourned at 11:16 A.M.

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Doug Moore, Executive Secretary